

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Information Bulletin No. NV 2007-035

To: Field Managers
Attention: Outdoor Recreation Planners

From: Deputy State Director, Division of Resources

Subject: Audit of Commercial Special Recreation Permits (SRPs) in Nevada

DD: 06/01/2007

Purpose: The purpose of this IB is to provide information regarding the FY 2007 Bureau of Land Management (BLM) Nevada audit of commercial SRPs. The Federal Land Policy and Management Act (FLPMA) established a national policy requiring the BLM to charge fees and assure a fair return to the public for the commercial use of public land. The Federal Lands Recreation Enhancement Act (FLREA) also gives BLM authority to charge fees for SRPs. The planned audit is necessary for several reasons: 1) Periodic audits are one of the ways BLM can assure a fair, equitable, and consistent business environment for permittees, 2) audits assure that the American public receives fair market value from the commercial use of its public land, 3) Nevada continues to issue, administer, and collect sizable fees through SRPs, and 4) the audit will help us determine if we are applying the SRP handbook regulations appropriately.

Background: The Bureau of Land Management's 2007 AWP for the 1220 program directs,

“States that have not completed a statewide audit (contracted by a certified public accountant) of their commercial special recreation permit program within the past five years must do so. Your (each State's) cost target includes funding for these audit contracts.”

The purpose of this audit is to determine how efficiently the program is being run and to determine if there are under/over payments as a result of inaccurate fee calculations by BLM, or as a result of underreporting by permittees.

The auditors will be contacting selected permittees to determine that the government has been properly paid for the use of public land authorized by SRPs. Auditors will focus on determining gross revenues related to permit use for the 2006 season and will also be looking at claimed deductions and adjustments.

Policy/Action: The Nevada State Office (NSO) will cover all costs and contracting related to the Audit. NSO has recently mailed a letter to all commercial permittees notifying them of the upcoming audit, along with information that will be helpful in preparing for an audit, such as information regarding recordkeeping and step-by-step examples of how to calculate fees due the BLM.

Field offices will need to submit, to the NSO Recreation Lead, possible permittees for this audit by June 1, 2007. Field offices should provide a listing of three permits they request to be audited that represent a sampling of the type of activities permitted in their respective field office (e.g., outfitter and guide, OHV back country tours, therapeutic groups, etc.). Since each audit costs approximately \$1,000, we will focus our audits on permits with total receipts of \$1,000 and above. However, if there are concerns with suspected underreporting of the smaller permits, they may also be submitted for consideration. The contractor performing the audit will spend 1-2 days in each field office between mid-June and mid-August 2006. The field office outdoor recreation planner in charge of selected permits will assist the auditor during the visit. The contractor will also try to complete some of the audit procedure via mail and conference call. The NSO Outdoor Recreation Planners will be the Contracting Officer Representatives for this state's SRPs audit.

If payment or other discrepancies are found, BLM will ensure proper payment or permit compliance. Where results show that underpayment is the result of inaccurate BLM fee calculations, BLM will not attempt to retroactively collect fees from the permittee. However, steps should be taken immediately to correct how the fees are being calculated so that future fee calculations and collections will be accurate. Overpayments will be returned to the permittee immediately. The BLM will retroactively collect where underpayments result from permittee error; a payment schedule can be negotiated.

Timeframe: Field offices should provide their listing of recommended permittee's for these audits no later than June 1, 2007. The listing should be provided in the following format:

<u>Name & Address of Permittee</u>	<u>Type of Permitted Activity</u>	<u>Total Annual Receipts</u>
		(<\$1,000; 1,000-5,000; \$5,000+)

If you have questions or concerns regarding this IB, contact Barb Keleher at 775-861-6628.

Signed By:
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